



# Yarmouth Ferry Initiative

Request for Proposals

December 2012



# Yarmouth Ferry Initiative

The Province of Nova Scotia has announced it will provide up to \$21 million in financial assistance over seven years to a qualified ferry operator with a sound business plan to operate a cruise ferry between Yarmouth, Nova Scotia, and the State of Maine on a self-sustaining basis. At this time, the province is requesting proposals from marine ferry operators for viable business plans with the goal of selecting a single operator with whom the province will negotiate one or more agreements to provide financial assistance.

A draft request for proposals (RFP) was released on October 23, 2012, to gauge interest among potential operators for the service and to refine the content of the final RFP. Potential operators were invited to provide input and ask questions by phone and email. A meeting was held on November 20, 2012, to allow potential operators to discuss the draft RFP with provincial staff in person. Many of the comments and questions received during the draft RFP consultation process have shaped the final RFP document.





# Nova Scotia

## A Spectacular Tourism Destination

**Nova Scotia.** It's a world of natural beauty and sea-spun warmth with a way of life that is shaped by founding cultures whose love of a good time is legendary. The scenery is spectacular. The food is fabulous. And from the time your passengers arrive, they'll feel like family.

Over 13,300 km (8,264 miles) of diverse coastline await visitors to Nova Scotia. Your passengers will create wonderful memories as they explore the province's seven tourism regions, from Yarmouth, the historic port of entry in Southwest Nova Scotia, to the Cabot Trail, one of North America's most spectacular touring routes.

Your passengers will enjoy exploring Halifax, our bustling seaport capital; they'll be charmed by Nova Scotia's most photographed fishing village, Peggy's Cove; and they'll be awed by the experience of the world's highest tides along the Bay of Fundy.

## Nova Scotia

### A Spectacular Tourism Destination

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Our rich history is brought to life at our three UNESCO World Heritage Sites: Old Town Lunenburg, Joggins Fossil Cliffs, and the Landscape of Grand Pré.

Inspiration comes easily in Nova Scotia. Wherever one goes, the talent of our musicians and artisans is all around. Invite your passengers to immerse themselves in our vibrant cultural heritage celebrated both in our communities and in hundreds of festivals annually. For more about what awaits your passengers in Nova Scotia, visit [novascotia.com](http://novascotia.com).





## The Market

With a population of 70 million people within a day's drive, and 30 million people within a six-hour drive from Portland, Maine, the Northeastern United States offers an enormous potential market of ferry passengers.

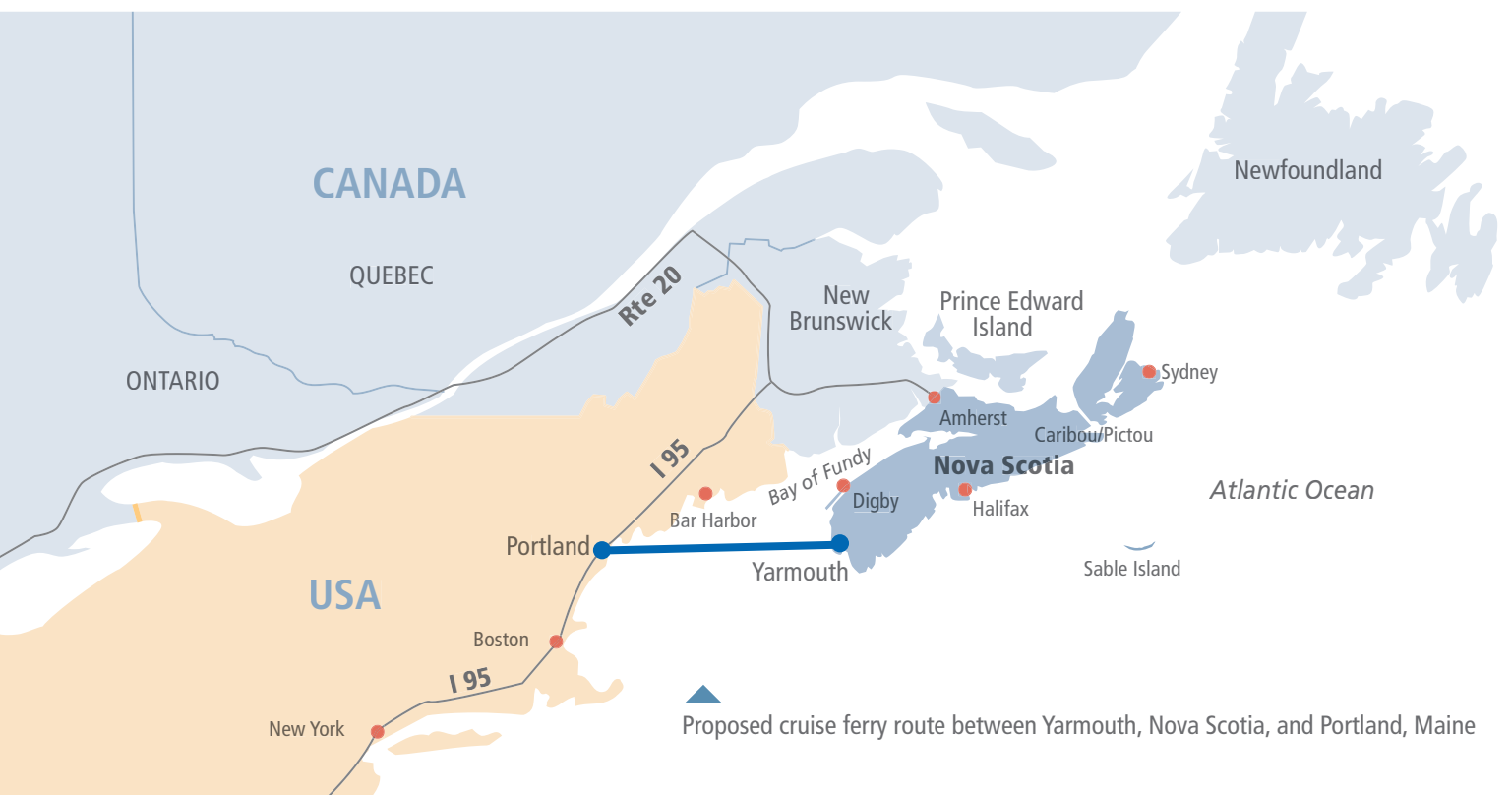
A few facts and figures\* about American visitors to Nova Scotia:

- About 50 per cent of U.S. visitors to Nova Scotia are travelling for a pleasure vacation, the highest proportion from any of the province's other geographical markets.
- A further 17 per cent combine their friend or family trip with a pleasure visit component.
- In general, pleasure visitors stay longer and spend more while on vacation compared to other segments. In 2010, a typical U.S. travel party spent an average of \$1,458 in Nova Scotia, while a typical U.S. pleasure travel party spent \$1,688.

More information about Nova Scotia as a tourism destination can be found at **[novascotia.com](http://novascotia.com)**.

*\*Source: Atlantic Canada Tourism Partnership and Nova Scotia Tourism Agency*





Proposed cruise ferry route between Yarmouth, Nova Scotia, and Portland, Maine

## The Opportunity

The Province of Nova Scotia intends to provide up to \$21 million in financial assistance over seven years to a qualified ferry operator with a sound business plan to operate a cruise ferry between Yarmouth, Nova Scotia, and the State of Maine on a self-sustaining basis. At this time, the province is requesting proposals from interested marine ferry operators with a viable business plan.

For more information about this opportunity visit [gov.ns.ca/tenders](https://gov.ns.ca/tenders) and refer to **RFP# 60145162**



## Contact Us

Questions about this RFP should be directed to

Angela Mackenzie  
Senior Procurement Consultant

Procurement Services  
6176 Young Street, Suite 200  
P.O. Box 787  
Halifax, Nova Scotia B3K 2A6

Email: [mackeas@gov.ns.ca](mailto:mackeas@gov.ns.ca)  
Phone: (902) 424-7663



**Procurement Services – Public Tenders Office**  
6176 Young Street, Suite 200  
Halifax, Nova Scotia B3K 2A6  
Telephone: (902) 424-3333 or toll free (866) 399-3377

Rev 090615

## **REQUEST FOR PROPOSAL (RFP)**

RFP # 60145162.

### **Yarmouth Ferry Initiative**

Sponsored by the  
Department of Economic and Rural Development and Tourism

#### **Important Notes for Bidding:**

- The complete tender document (36 pages) is comprised of the 'Nova Scotia Request for Proposal' (NSRFP) Form (2 pages) and this RFP specifications document (34 pages). In the file that is downloaded from our public Web site, the NSRFP Form **always precedes** this RFP specifications document.
- Financial information must **not** be reflected on the NSRFP Form.
- The proposal must be submitted in **paper form** at the address given above. Any proposal that is submitted via facsimile or electronic mail **will not** be accepted.

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## **1.0 Introduction**

The Province of Nova Scotia has announced it will provide up to \$21 million in financial assistance to support operations over a seven-year period to a qualified ferry operator with a sound business plan to operate a cruise ferry between Yarmouth, Nova Scotia, and the State of Maine on a self-sustaining basis. The Province is requesting proposals (RFP) from marine ferry operators for viable business plans with the goal of selecting a single operator with whom the Province will negotiate one or more agreements to provide financial assistance on terms and conditions acceptable to both the Province and the Proponent.

While this project is not a traditional procurement process, in order to ensure consistent communication and equitable treatment of Proponents, issuance, evaluation of the RFP, and communication involving this process will be coordinated by Procurement Services.

### **1.1 Situation Overview**

The Province is prepared to provide financial support to a qualified ferry operator who establishes and operates an international cruise ferry service offering daily service on a seasonal basis between Yarmouth, Nova Scotia and Portland, Maine according to the general requirements indicated in this RFP.

The service's focus will be primarily on seasonal tourism-related passengers and vehicle traffic between Yarmouth, Nova Scotia and Portland, Maine; however, freight services and extended operating seasons are not excluded as supplements to the service.

In order to qualify for financial assistance under this RFP, service may begin as early as 2013, but no later than June 30<sup>th</sup>, 2014 unless otherwise agreed to in writing by the Province.

It is the Province's intention to provide financial support to be outlined in two separate legal agreements: one to provide support during a pre-sailing start-up phase, and a second to provide support in the early years of on-going operations. Minimum service requirements under both agreements are generally provided below, and these will be contained in any final agreements. If the Province and the successful Proponent agree, the two agreements may be reflected in one agreement permitting the two separate phases.

The Province recognizes that, in part, the feasibility of this service is dependent on the availability of suitable terminal and other facilities, infrastructure and border services ["Terminal Services:"], in both Canada and the United States. These are factors not within the control of the Province and are normally provided by third-parties which will not be signatories to any agreements resulting from this RFP. Third-party plans and schedules for making required repairs, rebuilding of facilities and infrastructure and the provision of terminal and border services are not the responsibility of the Province and the position of third parties in providing or assisting in the provision of such Terminal Services is not known at the time this RFP was issued, and would be a matter of negotiation between the Proponent and any third parties.

An expert panel advising the Province on the viability of the proposed service identified start-up costs associated with the re-introduction of the ferry service. Possible sources of for accessing financial and other support which may be available have not yet been identified and the approach for mitigating this uncertainty is contained within this RFP.

It is the Province's intention to include sufficient safeguards in the phase one pre-sailing agreement to provide for termination of the agreement should plans for any required Terminal Services or other factors necessary for the successful introduction of ferry service remain unresolved by a date specified in the pre-sailing agreement. The Proponent, as the potential ferry

operator, will be responsible for informing the Province in writing on a timely basis whether or not it can operate its service based on commitments that the third-party providers have made in this regard.

## 1.2 Government of Nova Scotia Responsibilities

The role of the Province in this project is to help create the environment to support what it anticipates will eventually be a self-sustaining, commercially viable ferry service between Yarmouth, Nova Scotia, and the State of Maine. Specifically, in response to a sound proposal which, in the Province's opinion, offers acceptable risk and value, the Province has announced it is prepared to provide up to \$21 million in operational support to help underwrite financial risk over the first seven (7) years of a re-established ferry service.

The Province will encourage co-operation to enable the Proponent to seek out and obtain financial and other forms assistance from all levels of government and encourage the creation of conditions to support the successful operation of the ferry service. BY RESPONDING TO THIS RFP THE PROPONENT ACKNOWLEDGES AND AGREES THAT THE PROVINCE IS NOT RESPONSIBLE OR OBLIGATED IN ANY WAY FOR THE PROVISION OF ANY PORTION OF THE TERMINAL SERVICES OR TO ASSUME ANY ASPECT OF THE PROVISION OF FERRY SERVICES OR OTHER SERVICES SET OUT AND DESCRIBED IN THIS RFP.

## 1.3 RFP Contact

Questions about this RFP should be directed **by e-mail only** to the individual listed below, or their designate(s). Information that is obtained from any other source is not official and may be inaccurate.

For Procurement Services
<b>Angela Mackenzie</b> Senior Procurement Consultant
<b>Procurement Services</b> 6176 Young Street, Suite 200 P.O. Box 787 Halifax, Nova Scotia B3K 2A6
<b>Email:</b> <a href="mailto:mackeas@gov.ns.ca">mackeas@gov.ns.ca</a> <b>Phone:</b> (902) 424-7663

**The Proponent is responsible for obtaining any needed clarification of the RFP requirements, while the RFP is open.** Questions should be directed **in writing** to the RFP Contact identified. Only written responses from the RFP contact will be considered an official response.

Responses to questions that are deemed by the Province, in its sole discretion, to be material to all prospective Proponents **will** be made available as an addendum while the RFP is open, for download from the Procurement Services tenders website at: <http://www.gov.ns.ca/tenders>.

## 2.0 Service Requirements

The Province anticipates negotiating two separate but consecutive agreements with the successful Proponent: a Pre-sailing Start-up Agreement, during which the bidder makes preparations to begin the service, and an Ongoing Operations Agreement during which the bidder qualifies for assistance to mitigate the financial risk of operating a ferry during the first seven (7) years of the re-established service.

Both agreements will include clauses and conditions requiring proof of performance in order for the Province to provide financial or other assistance.

The Province may determine that one overall contract consisting of two phases (for start-up activity and for ongoing operations) is preferable to two separate agreements; however, the intent will remain the same, which is to provide all parties with a means of coordinating their commitments with developments affecting the operational viability of the service, particularly as it relates to the **availability of funding for start-up costs**, third-party provision of infrastructure and border services.

The following sections contain minimum service requirements, performance levels and reporting requirements to which Proponents must commit to provide during each of the two sequential funding agreements in order to be considered compliant with this RFP process. Other mandatory requirements listed elsewhere in this RFP also apply. The two agreements will include other provisions in addition to those listed in this section.

### 2.1 Pre-Sailing / Start-up Agreement

#### 2.1.1 Pre-Sailing Start-up Service Requirements

The items below are to be provided during (before the conclusion of) the “Phase one” agreement and may be scheduled as specific performance milestone dates established in the agreement. All of these are subject to being acceptable to the Province of Nova Scotia.

The Proponent will provide proof it has secured either ownership of or right of usage under a long term lease at a cost not to exceed fair market value, a cruise ferry-type vessel that meets the requirements of the service described in this RFP, and that the vessel is available to the Proponent and is ready to begin service under the terms and conditions listed under Phase Two, below.

Upon request of the Province, the Proponent will permit and arrange for inspection by the Province, or its representative, of the vessel proposed for use in the service to assess the vessel suitability in delivering passenger amenities and determining its general state of repair in areas, including but not limited to those areas open to the travelling public. The Province reserves the right to reject the vessel as being unsuitable, if in its sole and absolute opinion, the vessel may not provide a suitable level of visitor satisfaction. Notwithstanding such assessment or inspection, the Province takes no responsibility for, among other things, certifying the proposed vessel's seaworthiness, safety systems mechanical state of repair or suitability for a particular purpose, all of which shall at all times remain the sole responsibility of the Proponent.

If the Proponent owns the vessel, the Proponent shall provide proof of ownership of the vessel to the Province.

If vessel is owned by a separate corporate entity and leased to the Proponent shall provide the following information:

- Certified copy of the long term lease agreement signed by all relevant parties, and all amendments or other agreements, oral or in writing, impacting the lease
- Full disclosure of any ownership or other corporate links between the lessor and the Proponent
- A written guarantee acceptable to the Province and proof that all leasing costs and any related direct or indirect transfer costs charged between the Proponent and subsidiary, joint , partners or affiliated company are, and shall remain at throughout the first seven (7) year period of operation at fair market value
- Full disclosure of any clauses or separate agreements that pertain to exit clauses or re-positioning charges for the vessel at either the beginning or end or early termination of the lease agreement

The Proponent shall recruit and or employ or contract as necessary, qualified crew and officers sufficient to safely and effectively carry out all aspects of vessel operations, including but not limited to command, navigation, engineering, loading, deck handling, and provision of all passenger service elements, in compliance with any regulations that may apply in the Canada or the United States.

Upon request by the Province, the Proponent will provide documents issued by the appropriate authorities to verify that the Proponent is in compliance with all necessary regulatory, safety, environmental, navigational, Coast Guard requirements of Canada and the United States necessary to operate the service.

The Proponent shall establish all necessary reservations and ticketing systems required to operate the service successfully including those required in advance of service start-up under the Ongoing Operations Agreement.

The Proponent shall undertake market research to guide the development of the marketing plan and make results available to the Province.

The Proponent shall develop undertake a marketing plan specifically supporting the start-up of service and shall provide the Province with advance notice of the timing and content of the plan.

The Proponent shall develop and provide to the Province a plan for monitoring customer satisfaction levels on an on-going basis to be implemented during the Phase Two agreement

The Proponent will provide to the Province proof that viable service agreements for Terminal Services are in place, including documentation indicating that the terminal operator / owner has arranged for sufficient service levels from the appropriate border service; customs and immigration and /or security agencies in Canada and the United States.

**For information on the Port of Yarmouth, Nova Scotia, please contact:**

Greg Shay, B.B.A.  
Director of Finance  
Municipality of the District of Yarmouth

Acting General Manager  
Yarmouth Area Industrial Commission

902-742-7159  
greg@district.yarmouth.ns.ca

Information on the Port of Yarmouth is also available online at: [www.portofyarmouth.com](http://www.portofyarmouth.com) website under the Files Library icon.



**For Information on the Port of Portland, Maine, please contact:**

Bob Leeman

207-233-0350

Bob@portlandmaine.gov

The Proponent shall provide independent certification in form acceptable to the Province that the proposed vessel can safely navigate the harbours and waters between and including those at the terminal facilities proposed for use at both Yarmouth, Nova Scotia and Portland, Maine.

The Proponent shall provide independent certification in form acceptable to the Province that the proposed vessel can safely load and unload passengers, crew and if proposed, cargo, with the dock facilities and equipment that are expected to be available at the beginning of service.

The Proponent will provide certification in form acceptable to the Province that all remaining commercial and regulatory arrangements have been made and permits obtained, and that no operational, regulatory or commercial issue will prevent the Proponent from establishing or operating the service as described in this RFP. A copy of all operating permits shall be provided to the Province.

The Proponent will before the conclusion of the Phase One Agreement, provide a commitment that the operator is able to meet all requirements contained in the Phase Two Agreement unless explicitly exempted from a specific requirement in writing by the Province.

**2.1.2 Pre-Sailing Start-up Performance Levels**

The Proponent will demonstrate effective project management of all service requirements during the Pre-sailing / Start-up agreement

**2.1.3 Pre-Sailing Start-up Reporting Requirements**

The Proponent will provide regular and timely progress written reports to the Province on pre-sailing preparations necessary for commencement of service, to be received during the first week of every month during the agreement unless otherwise specified in writing by the Province.

The Proponent will provide timely notice in writing acceptable to the Province if conditions provided by third parties including but not limited to terminal owners / operators, border services are not in place at least 30 days prior to start-up of regular service.

The Proponent will provide notice in writing acceptable to the Province of what contingency plans are in place if terminal infrastructure, border services operations or other essential conditions provided by third parties not bound by the Phase One Pre-Sailing Agreement will not be available in time to commence operations according to the schedule provided in the applicable agreements

The Proponent will provide 30 day's advance notice acceptable to the Province if commencement of operations as described in the Phase One and Phase Two Agreements is not feasible, or to notify the Province from any material deviation or change from its project management or business plan put forth in the Proponent's proposal submitted in response to this RFP.

Upon request by the Province, the Proponent will make its senior representative available to meet with provincial officials, in-person in Halifax or Yarmouth at the beginning, during, and at the end of the pre-sailing phase

In order to qualify for disbursements under the Phase One Pre-Sailing Agreement, the operator will submit proof of expenditures defined as “allowable costs” under the Phase One Pre-sailing Agreement and will be eligible for re-imbursement according to the provisions contained in that agreement. The “allowable costs” will be defined in the Phase One agreement.

## **2.2 Ongoing Operations Agreement**

### **2.2.1 Ongoing Operations Service Requirements**

The Proponent will meet all requirements in the Pre-Sailing Start-up Agreement as a condition to entering into a phase Two Agreement with the Province, except where the Province has specifically and in writing grants an exemption or extension on a specific requirement.

In the first year of ongoing operations, the Proponent will begin annual daily departures from Portland, Maine to Yarmouth, Nova Scotia, no later than June 30, 2014.

In years following the first year of on-going operations, the Proponent will provide daily departures from Portland, Maine, to Yarmouth, Nova Scotia during a primary operating season which at a minimum annually covers the period of June 1<sup>st</sup> to September 30<sup>th</sup> inclusive.

The Proponent will offer on-board services and amenities consistent with the cruise-ferry concept, including on-board entertainment, dining and food services, and overnight passenger cabins.

The Proponent will maintain effective operation of reservation and ticketing services.

Upon Request by the Province, the Proponent will provide annual marketing as information to the Province no later than December 30<sup>th</sup> annually for the primary operating season of the following year

The Proponent or its marketing agency will develop and execute annual marketing plans with content which is consistent with, and reflects well on, Provincial tourism branding, as established by the Nova Scotia Tourism Agency.

The Proponent will be solely responsible for entering into agreements for and paying for all terminal fees, other land-based service fees including those charges by border services, customs and immigration or other security agencies and other costs related to the operation of the ferry service.

The Proponent shall ensure ongoing compliance with all safety, security, marine and other regulatory rules, regulations, and legislative regimes covering the operations contemplated in this RFP, and will monitor for and adapt to changes required by the relevant regulatory and other authorities.

### **2.2.2 Ongoing Operations Performance Levels**

Following the year in which operations begin, the Proponent will operate the service on a daily basis during the primary season of June 1<sup>st</sup> through September 30<sup>th</sup>, with exceptions for temporary interruptions service due to an act of *force majeure*, weather, border security reasons or other temporary conditions outside the Proponent's control.

The Proponent will ensure the vessel is properly maintained to a high standard of operational capability, seaworthiness, safety, cleanliness and good repair for both passengers and crew.

The Proponent will ensure a high standard of customer experience will be delivered, and monitor customer satisfaction levels according to the plan developed in accordance with the Phase One Agreement.

The Proponent will ensure compliance with all service agreements with terminal facilities and all necessary government border-services, security, customs, immigration agencies in Canada and the USA required for safe, legal operation of the service.

The Proponent will maintain all necessary marine, third party, and other appropriate insurance related to the operation of the ferry service in such amount and limits as would a prudent owner do in similar circumstances.

### **2.2.3 Ongoing Operations Reporting Requirements**

The Proponent will submit quarterly financial statements for the service to the Province as a condition for qualifying for continuing disbursements under the Phase Two ongoing operations agreement

The Proponent will provide annual audited financial statements for the service for the period commencing with the beginning of financial support for the ongoing operation and ending with the period in which financial support for the service from the Province ends. These are to be delivered as outlined in any Phase Two Agreement and will be a condition for qualifying for continuing disbursements under the Phase Two agreement.

The Proponent will provide a minimum of 60 days advance notice in writing to the Province of any proposed or requested material deviation or change from its project management or business plan put forth in the Proponent's proposal submitted in response to this RFP or provisions in the Phase two ongoing operational agreement.

Upon request by the Province, the Proponent will make its senior representative available to meet with provincial officials, in-person in Halifax or Yarmouth annually during the Phase Two Ongoing Operational Agreement.

The Proponent will promptly notify the Province in writing of any material deviation from the Required Performance Standards and how and when it intends to rectify such deviations.

## **3.0 Administrative and Legal Requirements**

### **3.1 Nova Scotia 'Request for Proposal' (NSRFP) Form**

As noted on the front page of this specifications document, the NSRFP Form is the first two pages of the file that is downloaded from our public Web site. It should be completed, signed and included in the proposal.

Instructions on how to complete this Form are available online at:

[www.gov.ns.ca/tenders/policy/pdf\\_files/NSRxxGuide.pdf](http://www.gov.ns.ca/tenders/policy/pdf_files/NSRxxGuide.pdf)

## 3.2 Business Registration

Proponents are required to be registered to carry on business in accordance with applicable laws.

The status of a Proponent's business registration does not preclude the **submission** of a proposal in response to this RFP. A proposal can be accepted for evaluation, regardless of (i) whether the company is registered, or (ii) whether its business registration is in good standing. However, a contract cannot be awarded unless the successful Proponent is registered and in good standing, in accordance with applicable laws.

For information on the business registration requirements of the Nova Scotia Registry of Joint Stock Companies, please consult, <http://www.gov.ns.ca/snsmr/access/business/registry-joint-stock-companies>.

If the Proponent's business is not required to register in Nova Scotia, the Proponent will be required to submit registration from your applicable jurisdiction.

## 3.3 Contract

After selection and negotiation, the successful Proponent will be required to sign one or more agreements (anticipated as a Pre-sailing/Start-up Agreement and an Ongoing Operations Agreement) that will constitute the legal agreement(s) with the Province for this project and govern all aspects of the conditions to be met in order to qualify for financial assistance. The agreement(s) will incorporate the relevant terms of this RFP and the provisions of the successful proposal as determined by the Province, and any other terms and conditions as the Province may require.

## 3.4 Meetings with the Proponent

**3.4.1** The Province may, at its sole discretion, participate in Commercially Confidential Meetings (CCMs) with the Proponents. These Commercially Confidential Meetings may be agreed to by the Province at the request of a Proponent and may be either or both of the following, as determined by the Province, at their sole discretion:

- i. Bilateral meetings between the Province and Proponents, to discuss the RFP.
- ii. Bilateral meetings between the Province and a Proponent, to discuss including but not limited to:
  - a. payment mechanism;
  - b. project agreement;
  - c. alternative Solution Proposals; or
  - d. other matters of a proprietary nature.

**3.4.2** No statement, consent, waiver, acceptance, approval or anything else said or done in any of these Commercially Confidential Meetings by the Province, shall amend or waive any provision of the RFP documents, or be binding on the Province or be relied upon in any way by the Proponent, except when, and only to the extent, expressly confirmed in an addendum to the RFP.



- 3.4.3** The Proponent, and any of their attendees at Commercially Confidential Meetings by their attendance and participation in the Commercially Confidential Meeting acknowledge and agree that:
- i. any statement made at a Commercially Confidential Meeting by the Province is not and shall not be deemed or considered to be an indication of acceptance by the Province or a rejection by the Province of anything said or done by the Proponent, and shall not provide any indication, guarantee, or promise whatsoever by the Province as to the scoring of the Proponent's Proposal;
  - ii. any statement made at a Commercially Confidential Meeting by the Province, shall not and cannot be relied upon in any way by the Proponent, its Members and Participants, or their respective advisors, employees or representatives for any purpose, including any purpose in connection with the RFP, the Project Agreement, the Project, or otherwise, except and only to the extent expressly confirmed by an addendum to the RFP, provided that the Province shall not be under any obligation to confirm any information by an addendum; and
  - iii. the Proponent, by their participation in the Commercially Confidential Meetings acknowledge and agree :
    - a. to participate in the Commercially Confidential Meetings in accordance with the guidelines, procedures and processes set out in this RFP;
    - b. participation shall constitute a waiver of any and all rights to contest and/or protest the RFP and the processes and guidelines of the Commercially Confidential Meetings, any contest and/or protest based on the fact that such Commercially Confidential Meetings occurred or on any allegation that any preference, advice, direction or guidance was expressed by the Province, their advisors, employees or representatives during any Commercially Confidential Meetings; and
    - c. all information received at a Commercially Confidential Meeting is confidential information.
- 3.4.4** Any oral response provided by the Project Contact Person or the Province in connection with this RFP Process during the Commercially Confidential Meetings will not be binding on the Province and will not change, modify, amend or waive the requirements of the RFP in any way. The Proponent shall not place any reliance on any oral response that may be conveyed to them during any Commercially Confidential Meeting.
- 3.4.5** Commercially Confidential Meetings are not evaluated or part of any evaluation of a Proponent's Proposal;
- 3.4.6** Commercially Confidential Meetings are not intended and cannot be used for Proponent promotion or marketing of a solution;
- 3.4.7** Other than for the purpose of facilitating discussion during Commercially Confidential Meetings or where there is an explicit requirement by the Province for the Proponent to provide certain documentation, no sharing of documents or materials will be permitted between Proponents and the Province; and
- 3.4.8** Commercially Confidential Meetings will be observed by the the Province's legal counsel and/or a representative of the Province's Procurement Services.

## **3.5 Other Important Provisions**

### **3.5.1 Addenda and Addenda Acknowledgement**

Proponents are responsible to ensure that they are aware of and have complied with any addenda issued by visiting the Procurement Services Web site ([www.gov.ns.ca/tenders](http://www.gov.ns.ca/tenders)).

Responding to this RFP **may** require the acknowledgement of a specific addendum or multiple addenda as part of the submission. Acknowledgement requirements, whether optional or mandatory, will be defined in the addendum. The Proponent must monitor for any addenda that may be issued during the full open period of the RFP.

### **3.5.2 Additional Phases of Work**

The Province reserves the right to amend any contract that may emerge from this RFP to complete the phases of the project. The decision whether to amend an existing contract or is at the sole and absolute discretion of the Province.

### **3.5.3 Constraints**

The '*Personal Information International Disclosure Protection Act*' of Nova Scotia (PIIDPA), creates obligations for the Government of Nova Scotia and its service providers when personal information is collected or used and disclosure of personal information. Provisions related to PIIDPA requirements are included in the contract terms. A copy of the Act is available online at: <http://nslegislature.ca/legc/statutes/persinfo.htm>

### **3.5.4 Conflict of Interest**

The Province reserves the right to disqualify any Proponent that in the Province's sole opinion has an actual or potential conflict of interest or an unfair advantage, whether existing now or is likely to arise in the future, or may permit the Proponent to continue and impose such terms and conditions, as the Province in its sole discretion may require.

Proponents are required to disclose, to the [RFP Contact](#), any potential or perceived conflict of interest issues prior to RFP closing date and time.

### **3.5.5 Special Conditions**

#### **➤ Deposits**

Each Proponent must submit a deposit of \$50,000.00 (Cdn) by way of a certified cheque payable to Minister of Finance for the Province of Nova Scotia or an unconditional letter of credit in favour of the Minister of Finance for the Province of Nova Scotia from a Canadian chartered bank, or a bid bond in favour of the Minister of Finance for the Province of Nova Scotia from a bonding company licensed to do business in the Province of Nova Scotia. In the event that a Proponent is disqualified all, or a portion of, such deposit may, in the sole and absolute discretion of the Province, forfeit to the Province.

The successful Proponent will be required to replace its \$50,000.00 (Cdn) deposit with a new deposit of \$50,000.00 (by certified cheque or unconditional letter of credit or bid bond as described above) within five business days after notification from the Province of its selection as the Successful Proponent. The \$50,000.00 deposit delivered by the Successful Proponent will be held as security for its obligation to execute the Agreement. Subject to the right of the Province to retain any deposit hereunder, deposits and/or letters of credit will be returned to the Proponents, including the Successful Proponent, following the conclusion of the RFP Process.

Subject to the right of the Province to retain any deposit hereunder, deposits and/or letters of credit will be returned to the Proponents, including the Successful Proponent, following the conclusion of the RFP Process. If the successful Proponent fails to execute the Agreement as required pursuant to the RFP, is disqualified, or otherwise breaches any of its other obligations as set forth in the RFP, the Successful Proponent's deposit, at the option of the Province, may be retained by the Province for their own use absolutely, entirely without prejudice to any other rights or remedies the Province may have. Another Proponent may, in the sole and absolute discretion of the Province, be selected as the Successful Proponent, in which event such new Successful Proponent must provide to the Province the \$50,000.00 deposit described above within five business days after notification from the Province of its selection as the Successful Proponent.

If the Province is notified that any letter of credit or bid bond delivered by a Proponent is not being renewed by the issuer, the Province will have the right to call upon the letter of credit or bid bond and will hold the funds in place of the letter of credit or bid bond as the deposits required in accordance with the RFP.

Retention and use of the deposits as herein provided is, in addition and without prejudice to all other rights and remedies, available to the Province and is not to be considered to be in the nature of a penalty or liquidated damages.

### 3.6 Proposal Format

To help ensure consistency in Proponent responses and evaluation, the proposal should be prepared and packaged, as outlined in the sections that follow. Please print double-sided whenever possible and limit promotional and/or marketing materials to the information specifically requested in this document.

#### 3.6.1 Bid Package

A complete bid package is comprised of the elements below, presented in the order listed:

☐ **Administrative Elements** – The following items should be placed on **top** of your bid, in the order listed:

- **Two (2) NSRFP Forms** – One original of this Form should be **completed, signed and included** in your proposal. The business name provided under 'BIDDING COMPANY' on page 2 of this Form should be the same name as that reflected on your company's business registration profile. Ideally, this Form should be placed on **top** of your bid and will be retained by Procurement Services.
- **Two (2) Business Registration Profiles** – For NS and NB Proponents, the business registration profile from the NS RJSC or NB CAR Web sites should be included.

**Two (2) Letters of Introduction** – This should identify the Proponent and be signed by a signing officer for the Proponent in order to;

- certify that the Proponent has read, understood, accepts the terms of the RFP and will comply with the requirements of the RFP;
- bind the Proponent to the statements made in the proposal;
- and attached hereto all required certificates/deposits as requested in Sections 3.5.5 and 5.3.

☐ **Technical Proposal – In Direct Response to Section 4.1**

- **One (1) Original** – This is the Proposal Document containing the Technical responses. The title page should be marked with the text '**ORIGINAL**' at the top. The Original should be left **unbound**.
- **Five (5) Copies** – Proposals without the correct number of copies may be rejected. The title pages for the Copies should be prepared in the same way as the title page for the Original, except these should be marked with the text '**COPY**' at the top. Include the completed NSRFP form in each copy. One of the Copies should be left unbound. In the interest of sustainability, please refrain from using binders, binding, plastic covers, etc when submitting the proposal.
- **One (1) Electronic Copy**– Prepare an electronic copy of your proposal as a Portable Document Format (PDF) file (preferably), or alternately as a Word or WordPerfect file, and include this in your proposal. The file name should include an abbreviated form of the Proponent's name and RFP # 60145162. Copies must be on Electronic Media and must be virus-free. Label the electronic media with the Proponent's name and RFP # 60145162.

☐ **Business Plan/Financial Proposal – In Direct Response to Section 4.2**

- **Five (5) Copies: Business Plan/Financial Responses**- To be submitted in separate sealed envelopes contained within the main envelope of the bidder's response. Labeling of envelope should include the Proponent's name, the tender number and, "Financial Response".

☐ **Optional : Alternate Proposals**

RFP Proponents are invited, but not required to submit one or more Alternate Proposals. If the Proponent chooses to submit an Alternate Proposal, five (5) copies of the Alternate Proposal must be uniquely identified; in a separate sealed envelope and **follow the format requested in section 4.1 and 4.2 of this RFP**.

Proponents should describe in detail those specific provisions and terms of their Original Proposal which are altered in the Alternate Proposal, as well as any deviations from the terms and conditions of the RFP. The Alternate Proposal shall clearly identify why the acceptance of the proposal would be advantageous to the Province.

For purposes of the Alternate Proposal(s), a different assumption regarding the choice of ports in the USA shall not be considered a direct contradiction with the Proponent's original proposal.

### **3.6.2 Bid Submission**

☐ **External packaging** – Ensure the external packaging reflects the information listed below:

- ☐ Proponent's name
- ☐ Shipping address
- ☐ Telephone number
- ☐ Fax number
- ☐ RFP #60145162



### **3.6.3 Official Record of Submission**

The Original and Copies should be identical (excluding any obvious differences in labelling, as noted). If discrepancies between these items are discovered during the evaluation or during the life of any contract that emerges from this RFP, **the Original retained by Procurement Services, shall be taken as the correct version** and the Proponent will be advised accordingly.

## **4.0 Response Requirements**

### **4.1 Technical Proposal**

#### **4.1.1 Executive Summary**

Include a summary of your understanding of the requirements outlined in section 2 of this RFP. Provide the evaluation team with an overall perspective of your proposal, highlighting the key features of your Technical Proposal and any unique competitive advantages your company and proposal may offer. Do not include details or specific financial information as this must be contained only in your Business Plan / Financial Proposal. Also do not include information contained in any Alternate Proposals you may have submitted in separate sealed envelopes.

#### **4.1.2 Bidder Profile**

##### **4.1.2.1 Financial Capacity and Stability as a Going Concern**

To demonstrate Proponent financial viability, Proponents shall provide annual audited financial statements for last three fiscal years. Financial statements are to include balance sheets, income statements, and sources and applications of funds. Financial projections are to include cash flow, net worth, and income forecasts. Audited financial statements shall be attached to your proposal as Appendix "A".

Attach a Declaration of Financial Viability; this declaration affirms that the Proponent;

- Has sufficient financial resources and capacity to deliver a self-sustaining, commercially viable ferry service between Yarmouth and the State of Maine for a period of not less than seven (7) years
- Is not subject to any current or pending legal action (either formal proceedings or notification of legal action), contingent liabilities that could adversely impact on the ongoing financial viability of the Proponent or the Proponents capacity to deliver of the services in accordance with the requirements of this RFP;
- Has (or will have in place) insurance coverage for the purposes of, and at the levels required, for the delivery of service, the vessel and passengers;
- Attach a letter from the Proponent primary bank confirming the Proponent has the necessary financial capacity and resources available to it, to undertake the start-up and operation of the ferry service over the seven (7) year period contemplated in this RFP.

If the Proponent has a short financial history and has a limited ability to provide historical information, provide each of the following;

- bank statements, since period of inception, for current liquidity
- parent company, joint ventures, partners or investor unconditional commitment to guarantee the obligations of the Proponent
- audited financial statements of parent company, joint ventures, partners or investor for the last three years or from date of inception

If Proponent will be retaining a subsidiary(s) or subcontractor(s) to carry out some or all of the work, the Proponent must represent and warrant assumption of full financial and legal responsibility for such work provided, however, that this shall not in any way reduce, derogate from, vary or limit the obligations of the Proponent under any agreement with the Province.

In the case of a consortium, the Proponent and each of its member firms must provide the information referred to in the above declaration of financial capacity. Further, that each member of the consortium will be jointly and severally responsible for the delivery and performance obligations of the Proponent consortium, including the guarantee of performance by the Proponent consortium.

Proponent shall identify and describe any liabilities, or obligations other than what is set out in the Declaration that could have an impact on operations over the course of the proposed contract and your mitigation strategies for these risks in the table below.

Risk		Risk Level (H/M/L)	Mitigation Strategy
1.			
2.			
Etc			

#### **4.1.2.2 Proposed Management Structure**

Provide a brief overview of the proposed management structure for this ferry service, including, but not limited to:

- Team Lead: name; role; attach resume
- Other key members: name; role; resume
- Has this team worked together before? Where? When? Provide relevant particulars

#### **4.1.2.3 Operational History and Relevant Experience**

Provide an outline of your company's operational history and experience relevant to this RFP including but not limited to:

- Overview of company history and scope of operations.
- Number of cruise-ferries you operate or have recently operated. Outline brief history and present status
- Number of vessels you currently operate or have recently operated. Use format similar to table below. Outline brief history and present status

Vessel Name		Vessel Type	Route(s) Served	Dates of Operation	Is/was service subsidized? (Y/N) If so, by which governments?	Degree of success in staying within annual subsidy projections
1.						
2.						
3.						
4.						
5.						

#### 4.1.2.4 Regulatory Compliance History

Describe your experience in compliance with regulatory agencies. At a minimum include:

- Types of regulatory regimes with which your company has experience operating.
- Regulatory agencies your company has worked in the past ten years.
- Your regulatory compliance history, i.e., has your company been charged, fined, sanctioned, or had a permit or license revoked or suspended for any regulatory infractions in the past five years, and if so, describe the circumstances and how these were resolved. Identify and explain any unresolved complaints.

#### 4.1.2.5 Safety Management

Describe your company's experience in operations where safety was a primary consideration. At a minimum, include:

- Your company's safety record as it applies to operating ferry and or related shipping services.
- Incidents resulting in serious injury or death of a passenger, crew member, or any other relevant person during the past five years with explanation.
- Incidents resulting in material damage to a ship, port, or terminal infrastructure during the past five years?

#### **4.1.2.6 Tourism Industry and Hospitality-Related Services**

Describe your company's general experience in the tourism industry. At a minimum include:

- Your company's experience in working directly with consumers, customers, and passengers.
- Your company's experience in providing customer-facing passenger experiences (including but not limited to food and beverage, hospitality service, entertainment, and other experiences)?
- Your company's general approach towards ensuring customer satisfaction?

#### **4.1.2.7 Marketing and Sales Experience**

Describe your company's experience in marketing, promotion, and advertising through conventional and online channels. At a minimum include:

- Your public relations and communications capacity.
- Examples of type of corporate or strategic partnerships partners in which your company has been involved.
- Your company's experience in working with tour operators and other travel trade channel partners.
- Your company's experience and capacity in providing reservations and ticketing services and whether you have out-sourced these services or provided them in-house.

### **4.1.3 Analysis of Situation**

#### **4.1.3.1 Business Context**

Describe your understanding of the business context for this RFP and the Province's priorities as they relate to this project. Describe your understanding of the market opportunity and outline the relevant market segments for the proposed service. What factors do you see as most critical to the success of a ferry service between Nova Scotia and the United States?

#### **4.1.3.2 Regulatory Environment**

Describe your understanding of the regulatory environment and compliance factors including the critical elements of the regulatory environment in Canada and the United States with which your service will need to be compliant in order to operate.



#### 4.1.3.3 Operational Environment

What do you see as the most significant operational considerations your company is taking into account in the proposed service between Nova Scotia and the United States, what are the associated operational risks factors and levels associated with those considerations and what mitigation strategies do you propose? Use a format similar to the table below.

	Operational Considerations	Associated Risks and Risk Level (H/M/L)	Mitigation Strategies
1.			
2.			
3.			

- **Other considerations** – What other factors do you see as significant to the re-establishment of the ferry service.

#### 4.1.4 Concept of Operations

##### 4.1.4.1 General / Compliance with Statement of Work

Describe your general description of the proposed service. At a minimum, Proponents must ensure consistency and compliance with the “Service Requirements” section of this RFP. In addition to any non-financial information Proponents may provide in this section, address the following:

- Proposed date to begin sailings
- Proposed season of operation
- Proposed weekly sailing schedule
- Any plans to you may have for the proposed vessel when it is not in use on this route and measures or assurances you are able to provide to ensure off-season vessel deployments will not interfere with provision of service on the Yarmouth–Maine route?
- Operational and/or navigational barriers to operating a vessels of the type anticipated in your proposal that require action or investment by a third party, such as a port authority or level of government in either Canada or the United States.

##### 4.1.4.2 Customer Experience

Describe the overall customer experience you plan to deliver, including but not limited to:

- Specific passenger amenities
- How you will monitor and address customer satisfaction levels

## 4.2 Business Plan

**Reminder: Please ensure this portion of your proposal is contained in a separate sealed envelope. Failure to do so may result in disqualification from this RFP process.**

### 4.2.1 Pre Sailing Start-Up Project Management Plan

Provide a brief project implementation plan outlining the major milestones, activities, and timelines required to bring the proposed service to a state of readiness to begin operations. Include all required third-party-provided infrastructure improvements and key decision points. It may be necessary to reference financial milestones in this part of your proposal, but do not include specific financial information such as specific cost, revenue, pricing or other dollar amounts. Milestones and timelines will form part of any final agreement(s) with the Proponent.

### 4.2.2 Operations

#### 4.2.2.1 Vessel

Provide the following information pertaining to the vessel proposed for use in your proposal:

- What vessel to you propose to use for this service: specify: ship name; hull number; current location
- Age of vessel and information on any material upgrades
- Current ownership
- When is the vessel available and for what term?
- Under what nationality is vessel registered?
- General vessel type and specifications
- Propulsion system and fuel consumption at proposed average speed for service
- Passenger capacity, number of passenger cabins / berths
- Other passenger amenities
- Vehicle capacity, configuration options for vehicle deck(s) description of loading ramp(s)
- General description, including state of repair (attach or include photos of exterior and interior spaces)
- Age; date and details of last major re-fit and a brief operational history of the vessel and its deployments.
- Identify any upgrades or capital improvements the vessel requires to meet the service requirements in this RFP, but do not include any specific cost data in this part of your proposal.  
These costs should only be presented in the Pre-sailing/Start-up Budget portion of your Business Plan / Financial Proposal. Include any work required for: compliance with safety or regulatory requirements; work or modifications to ensure with compatibility with current dock or terminal infrastructure and equipment; upgrades to improve customer experience and satisfaction; and any other work required.
- If a specific vessel has not yet been identified, how will you do so and what assurances can you provide that a vessel compliant with the statement of work will be available for service as proposed? On what assumptions have you based operating cost and financial projections in your Business Plan / Financial Proposal?

#### **4.2.2.2 Crew and Recruitment Plan**

How do you plan to crew your vessel? Include the following information:

- Planned compliment of crew by functional area.
- Recruitment plan.
- Nationality.
- Certification requirements, trade and labour code compliance, immigration requirements, safety certification, security clearance, eligibility for bonding, etc.
- Employment policies and practices; commitment to fair treatment.
- Your approach to compensation and benefits and equal opportunity employment practices.
- Any additional information or factors.

#### **4.2.2.3 Plans to Ensure Safety and Regulatory Compliance**

Outline your company's efforts to date and planned efforts to ensure the proposed vessel and service will be compliant with all relevant safety, security, marine and other regulatory regimes in Canada and the United States required to meet the Required Service described in Section 2 of this RFP, including but not limited to:

- Identifying agencies with which you interact with to ensure regulatory compliance.
- Those agencies you have already contacted in relation to the service described in this RFP.
- Any challenges you expect with regard to with regulatory compliance.

#### **4.2.3 Marketing**

Provide an overview of your marketing plan, including but not limited to:

- Key information sources.
- Target markets by market segment.
- Proposed branding or how branding will be developed.
- Marketing and sales distribution channels to be used.
- Any existing travel trade relationships or other strategic partnerships that will be levered or developed.

#### **4.2.4 Market Research**

Describe any market research has your company has undertaken or proposes to undertake in considering this opportunity, including but not limited to:

- Whether or not you have already, or plan to contract a consultant to conduct market research.
- What, if any, market research you propose to include during the pre-sailing/start-up phase of the service.
- General research objectives.
- In general, how this information would be used, i.e., the types of decisions you would base upon this information.
- Your company's capacity to contract a qualified consultant and administer the research project.
- Any budget you have allocated for market research in your Pre-sailing/Start-up Budget below.

#### 4.2.5 Local Economic Impacts

What direct economic benefits does your proposal contain for Yarmouth and surrounding area, for example:

- What types of staff or crew positions will you recruit from the Yarmouth area; in Nova Scotia; in Canada?
- What goods and services do you plan to procure in the Yarmouth and surrounding area; within Nova Scotia?
- What other aspects of your proposal will benefit the economy of Yarmouth and surrounding areas; in Nova Scotia?

#### 4.2.6 Pre-Sailing / Start-up Budget

Provide your proposed budget for the pre-sailing/start-up portion on this service. This is the budget with which your company would progress under the terms of an agreement with the Province for financial assistance to bring the project to a state of operational readiness. Ensure consistency with your project management plan in your Technical Proposal. These costs should not include the cost of refurbishing terminal infrastructure.

**Please note: At the time of issue of this RFP, specific government funding has not been identified or committed for this component of the project. Proceeding with the project will be contingent upon all forecasted costs having identified funding sources before parties sign the Pre-Sailing / Start-up Agreement. Funding may be provided by the Proponent, its partners or, the Proponent may indicate an expectation of public funding for a portion of Pre-sailing/Start-up costs. The total expected net cost to the Province under both the Pre-Sailing Start-up Agreement and The Ongoing Operations Agreement will be considered in the evaluation of your proposal.**

Structure your budget to relate format as closely as possible to the table format below. Add as many categories and rows as you require. All financial data must be in expressed in Canadian currency and include and identify all relevant taxes.

Following the format of table below, provide a rationale for this budget, explaining where possible why these costs are reasonable. Clearly identify which if any of these costs that are incurred for goods, services, assets, leases, or other agreements are purchased or obtained from companies that are related to the Proponent through any element of common ownership. Proponents are required to cost all elements at fair market value.

Pre-sailing/Start-up Budget				
Expenses:	Q1	Q2	Q...	Total for Pre-sailing/Start-up
(List by category, add as many rows as necessary)				
etc.				
Total Pre-Sailing /Start-up Expenses				
Amount Funded by Proponent				
Funding from other sources (please specify).				
Funding requested from Province				

#### **4.2.7 On-going Operations Budget**

##### **4.2.7.1 Pricing Strategy and Revenue Projection**

Describe your pricing strategy including anticipated price points by market segment, for example:

- Walk-on passenger (no vehicle)
- Price per vehicle by type
- Auto
- RV
- Motorcycle
- Motor-coach
- Cabin price and basis (e.g., per cabin? per person double occupancy?)
- Freight
- Other relevant pricing information



#### Revenue Projection by Market Segment

- Provide projected traffic volumes and revenue by market segment in a format similar to the table below.

Market Segment	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
Market Segment 1: Projected Volume							
Market Segment 1: Average Fare							
Projected Revenue: Market Segment 1							
Market Segment 2: Projected Volume							
Market Segment 2: Average Fare							
Projected Revenue: Market Segment 2							
Repeat rows as necessary for other segments identified in pricing strategy							
<b>Total Revenues for all above market segments</b>							

#### 4.2.7.2 Ongoing Operation and Financial Projection

Provide your forecasted budget for the on-going operation of this service. This is the budget with which you would expect to operate under the On-going Operations Agreement for financial assistance from the Province. Structure your budget to relate as closely as possible to the format below for each of the first seven years of operation. Add rows and categories as necessary.

Year ( ____ )	Q1	Q2	Q3	Q4	Annual Total
<b>Revenues:</b>					
Passenger revenue (and freight, if included) from table above					
On-board revenues (please list by category)					
Other Revenues (please list by category)					
<b>Total Revenues</b>					
<b>Expenses:</b>					
Expenses: (please list by category add as many rows as necessary)					
<b>Total Projected Expenses</b>					
Expected surplus/ deficit					
Expected Draw on Provincial Financial Assistance per period					
<b>Total accumulated Draw-down of Provincial Assistance</b>					
Excess of any expected deficit beyond the Provincial contribution by proposed funding source					

## 4.2.8 Overall Net Cost and Financial Risk Assessment

### 4.2.8.1 Overall Net Cost to Province

Provide the proposed total net cost to the Province, including both Pre-sailing / Start-up and Ongoing Operations Budgets.

### 4.2.8.2 Financial Risk Assessment

Identify key cost drivers, and or other factors that represent the greatest risk to the successful financial performance of the service and any specific mitigation strategies you will employ.

### 4.2.8.3 Financial Risk Mitigation Strategies

Describe your approach to mitigation of financial risks for both the Province and Proponent, including but not limited to:

- In the event that your losses exceed the limits of the provincial financial assistance package, upon what financial reserves or resources do you propose to draw?
- What level and type of performance guarantee is your company prepared to provide in the event that your company ceases operations before the end of seven years?
- What types and levels of guarantees or conditions would your company propose to include in the Pre-Sailing/Start-up agreement to protect itself against the possibility that the required improvements in port and shore-based infrastructure are not in place in time to meet your proposed commencement of operations?

## 5.0 Proposal Evaluation

### 5.1 General Information

The Evaluation Team will consist of representatives of the client department and may include other representatives as deemed appropriate by the Province. It is understood and accepted by the Proponent that all decisions about the degree to which a proposal meets the requirements of this RFP are in the sole determination of this Evaluation Team.

To assist in the evaluation of proposals, the Evaluation Team may, but is not required to:

- Conduct reference checks, including but not limited to credit checks, relevant to the proposal with any or all of the references cited in a proposal to verify information regarding a Proponent and rely on and consider any relevant information from such cited references in the evaluation of a proposal. The Proponent shall, upon request of the Province, provide any consent as may be necessary for the Province to carry out such checks.
- Conduct any background investigations that it considers necessary and consider any relevant information resulting there from.
- Seek clarification from a Proponent with respect to their proposal. Such clarification **will not** offer the Proponent the opportunity to change or provide new information. To the extent possible, requests made by the Evaluation Team will be sent from the email addresses of the RFP Contacts.

A proposal will be examined in accordance with the evaluation process and criteria outlined in the sections below.

## 5.2 Evaluation Process

Proposal will be evaluated using the following process:

- Stage 1: Verify each proposal's compliance to the Mandatory Criteria identified in section 5.3. Proposal will be reviewed to determine compliance with all mandatory criteria identified in section 5.3
- Stage 2: Proposals that meet all mandatory criteria will be evaluated and scored using the evaluation criteria and assigned weights set out in table 5.4 (Section 4.1- Technical Proposal). Proposals not meeting the qualifying score for section 4.1 will be given no further consideration.
- Stage 3: Proponents meeting the minimum qualifying score will be further evaluated based on the Business Plan (Section 4.2).
- Stage 4: Based on the results of the evaluation, the Province will select the Proponent whose proposal meets the minimum qualifying score and has the highest overall ranking. The Province reserves the right, in its sole discretion, to enter in to further negotiations with the Proponent on either its Proposal or Alternate Proposal.

## 5.3 Stage 1 – Mandatory Criteria

The proposal must meet **all** of the following mandatory criteria and clearly demonstrate that these are met in a substantially unaltered form. If the proposal fails to meet **any one** of these criteria, it will receive no further consideration during the evaluation process and be deemed non-compliant.

1. Read, understood & agree with service requirements.
2. Required deposits.
3. All proposals must be submitted in Canadian dollars (CDN).

## 5.4 Stage 2 – Desirable Criteria

If the proposal meets the Mandatory Criteria it will be further evaluated using the Desirable Criteria. Scores will be recorded for each criterion and a total score will be determined.

Technical Proposal (RFP Section 4.1)			Scoring	
Section	Detail		Max	Min*
4.1.1	Executive Summary		2	
4.1.2	Bidder Profile			
	4.1.2.1	Financial Capacity and Stability as a Going Concern	25	17
	4.1.2.2	Proposed Management Structure		
	4.1.2.3	Operational History and Relevant Experience		
	4.1.2.4	Regulatory Compliance History		
	4.1.2.5	Safety Management		
	4.1.2.6	Tourism Industry and Hospitality-related Services		
	4.1.2.7	Marketing and Sales Experience		
Total Available Score: 4.2 Bidder Profile			25	17
4.1.3	Analysis of Situation			
	4.1.3.1	Business Context	3	
	4.1.3.2	Regulatory Environment		
	4.1.3.3	Operational Environment		
Total Available Score: 4.1.3 Analysis of Situation			3	
4.1.4	Concept of Operations			
	4.1.4.1	General	10	7
	4.1.4.2	Customer Experience		
Total Available Score: 4.1.4 Concept of Operations			10	7
Total Available Score: Section 4.1: Technical Proposal			40	30
*Note: Where specified, proposals must meet the minimum required score in order to be considered compliant with this RFP. Minimum scores are not applicable for every individual category. Proposals must meet the overall minimum score for Section 4.1 Business Plan in order to be compliant with this RFP.				

### Notes:

A minimum overall score of 30 Points (75%) is required for “Section 4.1 Technical Proposal” for the proposal to be deemed compliant.

If the proposal's score meets or exceeds the minimum qualifying score, the Business Plan / Financial response will then be evaluated.

Business Plan Proposal (RFP Section 4.2)			Scoring	
Section	Detail		Max	Min*
4.2.1	Pre-Sailing/Start-up Project Management Plan		3	
4.2.2	Operations			
	4.2.2.1	Vessel		
	4.2.2.2	Crew and Recruitment Plan		
	4.2.2.3	Plans to Ensure Safety and Regulatory Compliance		
Sub-Total 4.2.2: Operations				
4.2.3	Marketing		10	7
4.2.4	Market Research		5	
4.2.5	Local Economic Impacts		5	
4.2.6	Pre-Sailing / Start-up Budget			
Sub-Total 4.2.6: Start-Up Budget			10	7
4.2.7	On-going Operations Budget			
	4.2.7.1	Pricing Strategy / Revenue Projection		
	4.2.7.2	Ongoing Operations Financial Projection		
Sub-Total 4.2.7: On-Going Operations Budget				
4.2.8	Overall Net Cost and Financial Risk			
	4.2.8.1	Overall Net Cost		
	4.2.8.2	Financial Risk Assessment		
	4.2.8.3	Financial Risk Mitigation		
Sub-Total 4.2.8: Overall Net Cost and Financial Risk				
TBA	(At Province's Option: Presentations may be requested Proponents who have achieved the minimum required score for sections 4.1 and 4.2. Up to 10 additional bonus points will be made available for business plan proposals.)		(TBA)	(TBA)
Total Score Available 4.2: Business Plan			60	45
*Note: Where specified, proposals must meet the minimum required score in order to be considered compliant with this RFP. Minimum scores are not applicable for every individual category. Proposals must meet the overall minimum score for Section 4.2 Business Plan in order to be compliant with this RFP.				

**Notes:**

**A minimum overall score of 45 Points (75%) is required for “Section 4.2 Business Plan Proposal” for the proposal to be deemed compliant.**

The Province may request the Proponent to orally present their proposal to the Evaluation Team. If so, the objectives, requirements and evaluation criteria for the presentation will be provided when the invitation to present is extended. Adequate time for preparation will be provided and Proponents will be advised of the number of available bonus points.



## **5.5 Evaluation of the Alternative Proposal**

The Alternative Proposal will only be evaluated, if the Proponent has met all the requirements of the RFP and has achieved the minimum qualifying score as identified in section 5.4. Upon selecting the proposal with the highest overall ranking, the Province has the right to open that Proponent's Alternate Proposal, if submitted.

If the Province chooses to review the Alternate Proposal, it will be evaluated using criteria similar to that outlined above.

At the discretion of the Province, the Proponent remains bound by the terms of the original proposal and any bid security mechanism that are included in the RFP. If a Proponent withdraws their original proposal, the Province will not give any further consideration to their Alternate Proposal. The Proponent will, however, be permitted to withdraw their Alternate Proposal without penalty or forfeit of their bid bond.

The Province reserves the right to rule the Alternate Proposal as non-compliant if it contains any direct contradictions to statements, facts or projections contained in the Proponent's Original Proposal. For purposes of the Alternate proposal(s), a different assumption regarding the choice of ports in the USA shall not be considered a direct contradiction with the Proponent's original proposal.

If a Proponent's Alternate Proposal is ruled non-compliant because of the reasons above, the Province may negotiate on the basis of the original proposal, unless an element in the Alternate Proposal calls the validity of the original proposal into question, in which case the Province can terminate negotiations with the Proponent and would have to option to re-consider the next highest scoring proposal received in the RFP process

The Province reserves the right at its sole discretion, to accept or reject any or all Alternate Proposals.

## **5.6 Written Notification and Invitation to Negotiate**

The selected Proponent, as established in section 5.3, will receive a written invitation from the Province to enter in to direct contract negotiations.

The Province intends to conclude negotiations within sixty (60) days commencing from the date the Province invites the Proponent to enter in to negotiations. A Proponent invited to enter into negotiations should therefore be prepared to provide requested information in a timely fashion and to conduct its negotiations expeditiously.

If the Province and the Proponent do not reach an agreement(s) within sixty (60) days of selection of the Proponent then in such instance the Province may, in its sole and absolute discretion, commence negotiation with the second highest ranking Proponent or extend the time for completion of the agreement(s)

## **SCHEDULE A – General Conditions**

The following are some of the terms and conditions which will be included in any agreement entered into with the Proponent. It is expected that an addendum will follow providing the agreement or agreements which will govern the relationship between the Province and a successful Proponent. A Proponent should indicate where there is an unwillingness to accept any one or more of these terms and conditions. In such case this likely will impact the overall score of the Proponent.

### **1.0 Province's Rights to Terminate the Agreement and/or Withhold Further Payments**

This Agreement may, at the discretion of the Minister, be cancelled or withdrawn in the event the Company or its officers or directors are found to be involved in litigation or any proceeding before a government board, tribunal, or agency which has not been disclosed to the Province, or in the event the Company or any of its officers, directors, employees or agents has intentionally made any material misstatement in any information provided to the Province for purposes of obtaining this Agreement, whether before or after execution of the Agreement by the Company.

### **2.0 Requirement to Maintain and Enhance Investment in Nova Scotia**

Where commercially reasonable, the Company shall employ and purchase Nova Scotia contractors, labour, products, materials and services in the operation of its business. Further, the Company shall make all commercially reasonable efforts to enhance its business operations in Nova Scotia by increasing the employment of Nova Scotia residents, and locating any new business premises in the Province.

### **3.0 Environmental**

The Company shall represent and warrant that its business and assets and those of any subsidiary companies are operated in compliance with applicable environmental legislation, regulations, rules and orders (collectively, "Environmental Laws") and that no enforcement action in respect thereof is threatened or pending. The Company further covenants to continue to operate in accordance with Environmental Laws, to cause its subsidiaries to do likewise, and to permit the Minister to conduct inspections and appraisals of all or any of its and its subsidiaries' records, businesses and assets at the Company's expense, at any time and from time to time, for purposes of ensuring the Company and its subsidiaries are in compliance with Environmental Laws. The Company shall indemnify the Province with respect to any failure by it or its subsidiaries to comply with Environmental Laws, and agrees that, in the event the Province incurs expenses because of the application of Environmental Laws to the Company or any of its subsidiaries, the amounts expended by the Province shall be paid forthwith to the Province by the Company.

### **4.0 Compliance with Laws**

The Company covenants and agrees that, until such time as the Company has fully satisfied all of its obligations under this Agreement, it will ensure that the business and assets of the Company and any subsidiaries of the Company are and will continue to be operated in compliance with all federal [including the Income Tax Act (Canada) and compliance with remittance of payroll taxes], provincial and municipal statutes, regulations, ordinances, and by-laws (including the Nova Scotia *Environment Act*, *Occupational Health and Safety Act*, *Labour Standards Code* and *Human Rights Act*) and that no enforcement action is, or will be, pending with respect to any such statute, regulation, ordinance or by-law.

### **5.0 Fair market Value Transactions**

The Company shall represent and warrant that all transactions with related, affiliated, subsidiary or associated companies and with its shareholders, directors and employees are based on fair market values.

### **6.0 Forum and Choice of Law**

This Agreement shall be governed by and construed in accordance with the laws of the Province of Nova Scotia and the federal laws of Canada applicable therein, and shall be treated in all respects as a Nova Scotia contract.

The Company agrees that any suit, action or proceeding arising from or in relation to this Agreement, against it or its assets, may be brought to the Supreme Court of Nova Scotia, the Federal Court of Canada or any other Court in which, at its sole discretion, the Province chooses to bring such suit, action or proceeding, and the Company hereby generally, irrevocably and unconditionally submits to the non-exclusive jurisdiction of any or all such Courts over any such suit, action or proceeding. The Company further agrees that all judgments in such suits, actions or proceedings shall be conclusive and binding upon it and that such judgments may, at the sole election of the Province, be enforced in any jurisdiction or jurisdictions selected by the Province.

## **7.0 Complete Agreement**

This Agreement constitutes the entire, full and complete agreement entered into by parties regarding the subject matter herein, and replaces all previous agreements with respect to the said subject matter. Neither party has been induced to execute this Agreement by any former representation, and as no representation, encouragement, promise or agreement, whether verbal or other, between the parties, other than as expressly provided for herein, is in force or has any effect in relation to this Agreement or otherwise

## **8.0 Bankruptcy or Insolvency of the Company**

The Company hereby acknowledges and agrees that the Province's obligations with respect to the provision of the Loan, whether accrued, due, or to become due, under this Agreement shall immediately cease in the event the Company becomes insolvent or makes an assignment under the *Bankruptcy and Insolvency Act*, makes a proposal to creditors (whether voluntary or involuntary) under the *Bankruptcy and Insolvency Act*, has a petition filed or presented against it pursuant to the *Bankruptcy and Insolvency Act*, takes or proposes to take the benefit of any provision of the *Companies Winding Up Act* or the *Companies Creditors Arrangement Act* or similar legislation, is subject to or takes steps similar to any of the foregoing pursuant to any other legislation, or ceases to carry on business in the Province of Nova Scotia.

## **9.0 Waivers**

No delay or omission to exercise any right or remedy accruing to the Province upon any breach or default by the Company under this Agreement shall impair any such right or remedy or be construed as a waiver of the breach or default or of any similar breach or default occurring thereafter, nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right or remedy. No waiver of a single breach or default shall operate or be construed as a waiver of any subsequent breach or default. All waivers hereunder must be in writing and signed by the waiving party

## **10.0 Right to Audit and Inspect**

The Province shall have the right to carry out such audits and inspections as it deems appropriate or necessary to ensure the Company is in full compliance with all the terms of this Agreement, and for such purpose the Company shall provide full disclosure and cooperate with the Province in its carrying out such audits and inspections. Except for emergency situations the Province shall make reasonable efforts to perform audits and inspections during normal business hours and minimize disruption to the Company's ongoing operations.

## **11.0 Force Majeure**

Neither the **Proponent nor The Province shall** be liable for any non-performance of this Agreement due to causes of any nature beyond their control, including, but not limited to, acts of God or public enemy, acts of government in either of its sovereign or contractual capacity, war, declared or undeclared, earthquakes, fires, floods, typhoons, epidemics, and quarantine restrictions. This provision shall not apply to labour disputes between the Proponent and its own employees, or to contract disputes between Proponent and its sub-contractors or agents.

An act of Force Majeure which extends for a continuous period in excess of Ninety (90) days, or for a cumulative period of ninety (90) days over any eighteen (18) month period shall enable either party to terminate this Agreement by giving thirty (30) days written notice to the other party.

#### **12.0 Conditions Precedent to Agreement**

Any agreement is conditional upon the successful Proponent and the Province agreeing there are appropriate Terminal Services in place in both Yarmouth, Nova Scotia and Portland, Maine. If either party is not satisfied, acting reasonably, that such facilities are in place it may terminate agreement resulting from this RFP Agreement without penalty or costs to the other party except as specifically provided under the agreement.

Any agreement is conditional upon the successful Proponent and the Province agreeing there is an agreement on the start-up financial contribution from each party. If either party is not satisfied, acting reasonably, that such facilities are in place it may terminate this Agreement without penalty or costs to the other party.